

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6862**

**BILL NUMBER:** SB 402

**NOTE PREPARED:** May 1, 2013

**BILL AMENDED:** Apr 25, 2013

**SUBJECT:** School Administrator Contracts; Principal Institute.

**FIRST AUTHOR:** Sen. Banks

**FIRST SPONSOR:** Rep. Heaton

**BILL STATUS:** Enrolled

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill has the following provisions:

*Principal Institute:* The bill establishes the Principal Institute (Institute) within Indiana State University (ISU) to strengthen leadership and management skills of practicing Indiana public school principals. It repeals provisions establishing the Principal Leadership Academy within the Department of Education.

*Contract Renewal:* The bill changes the date, from February 1 to March 1, by which the governing body shall give written notice of renewal or refusal to renew the assistant superintendent's, principal's or assistant principal's contract.

**Effective Date:** July 1, 2013.

**Explanation of State Expenditures:** *Principal Institute:* The impact would depend on the size and scope of the program developed by ISU. If ISU requires additional funding for the Institute in excess of its regular tuition and fees and state appropriation for students enrolling at ISU, it would have to submit a line item request as part of its budget submission to the legislature.

From about FY 1986 to FY 2009 the legislature appropriated about \$500,000 annually for the Principal Leadership Academy within the Department of Education. Each year about 100 new principals received training at the Academy.

**Background:** The bill establishes the Principal Institute at ISU to strengthen leadership and management skills of practicing Indiana public school principals. It requires ISU to appoint a full-time director to administer the Institute and employ staff necessary to accomplish its mission. The bill establishes a nine-member advisory board to advise and assist the director. Each year, under the bill, ISU is to submit an annual report on the Institute to the General Assembly before July 1. The report must include a summary of the activities of the Institute, data on the number of individuals trained, an analysis of the extent to which the mission of the Institute has been accomplished, and a proposal for a program and budget for the following two years.

To be eligible for admission to the Institute, a participant must be a practicing public school principal for a public school located in Indiana. The bill requires admission preference be given to school principals who have at least three years of administrative experience in Indiana public schools and who intend to continue as public school principals.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** *Contract Renewal:* This bill would potentially give school boards more time to evaluate the school administrator. The impact would depend on whether the board's decision would be different because of the additional month provided under the bill. School boards are required to inform the individual at least 30 days before the written notice if the governing body is considering not renewing the contract.

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of Education; Indiana State University

**Local Agencies Affected:** Local school boards

**Information Sources:** Indiana Principal Leadership Academy information website, <http://www.e-lead.org/programs/ipla/links.asp> .

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